the Bridge

NEWSLETTER of the BRITISH COLUMBIA
FIRST NATIONS FORESTRY PROGRAM

Kiln adds new dimension to First Nations forestry operations

In March of this year Arnie Bellis and Frank Collison, owner/partners of Gwaii Wood Products Ltd, held a little celebration. It was a celebration that's been four years in the making - the length of time it's taken them and their joint venture partner, non-aboriginal Q.C.I. Forest Products Ltd., to bring a secondary processing dry kiln to the Village of Old Masset in the Haida Gwaii/Queen Charlotte Islands. Now it's up, it's running, and it's time to show it off.

Four years ago, the joint venture company, Gwaii-Q.C.I. Ventures Ltd. was formed and subsequently obtained a Timber Sale License, plus a contract with MacMillan Bloedel to log its Timber Sale, and trade for suitable grade and species through a log ledger system. For the Village of Old Massett, with an unemployment rate of 70% (many of them Haida residents), it would mean more employment, more trained Haida workers and an improvement to the community's overall economic stability.

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Said Bellis, "It's the first dry kiln on HaidaGwaii/Queen Charlottes, and we took a bold step in planning to acquire it. But we're entrepreneurs, so even though it was a sink or swim situation, we went ahead."

With the assistance of $30,000 from the FNFP, the portable, 30,000 board feet capacity kiln was ordered from Custom Dry Kiln Co. of Port Coquitlam and barged to its landing last August. "It took a month to get here and then we had to truck it 40 miles to its present location at Q.C.I. Sawmills. Eventually, we want to move it onto land that we purchased and enclose it in a larger building for more environmental protection."

The company is just now putting the initial runs through the kiln so that an accurate cost analysis can be done. "We have some unique aspects to running a kiln up here," he said, "for instance, hydro here is 12¢ a kilowatt hour - and with the relative remoteness, it took two months to get the hookup."

Having the kiln adds a whole new dimension to the forestry operations in the area. "The whole idea was to be able to develop wood products locally, and to be able to train Haida operators. Now we can extend the operations of Gwaii Wood Products to include the value-added production of construction materials. We have a lot of artists on Haida Gwaii and another possibility is producing wood products for them to use."

Bellis and Collison said the kiln is an important component of the long term plan which will, after training, provide employment for 10 -14 Haida natives. We're hopeful that funding for this skills development could be available through the FRBC. "Both of us were born and raised here," Bellis said, "so we know the difference it can make when jobs are created and maintained."

The joint venture with Q.C.I. is working out well. "It must be," joked Bellis, "we're both still in it."

For further information:
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Joint venture brings increased opportunities

The Upper Similkameen Indian Band is one of the very few, if not the only, Band in the Southern Interior with a year-around forestry operation. Last year the Band approached Princeton Wood Preservers Ltd., a neighbouring post and rail operation, to jointly apply for a Small Wood Forest License.

A contribution agreement for $15,000, with the First Nations Forestry Program, assisted the band in completing a Strategic Business Plan, a five-year Forest License Development Plan and provided Management and Administration training for band members and staff. Darryl Brewer, Logging Manager for the Band, said the training workshop, designed and given by Band forester Steven Börcsök gave 12 Band members a great deal of knowledge and understanding of the many aspects of forestry administration. These ranged from studying the Forest Practices Code of B.C., to Forest Cover Map Legend Interpretation, and the Forest Development Plan Referral Process.

"It was an extremely valuable session," said Brewer, "in that it made the Band members more employable in the industry, and also gave them the sort of information which would allow them to decide whether they wanted to become involved in it."

The joint venture partnership with Princeton Wood Preservers Ltd. applied for a 60,000 m^3 AAC small wood Forest License. While the license they were granted last October was for less (30,000 m^3 AAC), as Band Manager Philippe Batini said, "we now have wood." Under the joint venture, Band members have taken on the harvesting and silviculture activities, Princeton Wood Preservers Ltd. processes the wood, and they have an agreement with Weyerhaeuser Canada Ltd. for management responsibilities. At present the band has five or six members working on harvesting and on average 12 members involved in silviculture activities.

Batini says, "It's a very good arrangement for us and I believe for Princeton Wood Preservers as well. They get the wood from our jointly held land to process and, in turn, are obligated to use our Band members to do the logging and silviculture work.

He said they are looking at a number of ways in which they could add to the 30,000 m^3 they presently hold. "Despite the fact that Princeton Wood Preserver's post and rail operation is very efficient, there is still wood left at the end of their process, "he said. "One of the things we're considering is using this wood in some relatively simple way - perhaps to make dowling or other products which could be used in furniture production."

"We have a very strong, very positive partnership with Princeton Wood Preservers," Batini said. "We do have others, but this is our main one and it provides employment, profit, training, economic stability and prospects for the future. You can't ask for much more than that."

For more information: Philippe Batini (250) 499-2221

Forestry Business Planning Guide

Since the announcement of the First Nations Forestry Program (FNFP) in April 1996, hundreds of aboriginal Canadians have taken advantage of the program's resources to undergo training, develop joint ventures with forest companies, and start up or expand their own forestry-based businesses.

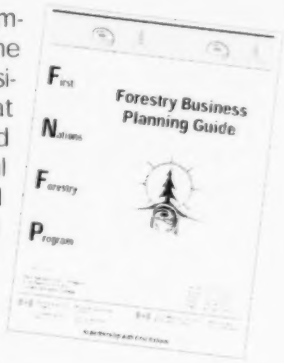
And now aboriginal Canadians interested in running forestry businesses have a new tool at their disposal - the FNFP Forestry Business Planning Guide.

The guide, along with its companion booklet, the Forestry Business Resources Directory, is designed to assist First Nations entrepreneurs in the planning and implementation phase of new or expanding forestry-related businesses.

Barbara Hager, of Aarrow Communications, who compiled and wrote the guide, says her goal was to create a step-by-step guide that was useful and accessible to small and mid-sized business owners and those interested in establishing their own businesses.

The guide is divided into four chapters, which provide information on topics such as identifying a product or service for your company to market, establishing your own company, writing a business plan, and seeking financing for your company. It also contains an appendix with a comprehensive list of business information available from organizations, corporations, government agencies and on the Internet.

Hager says she used a lot of existing business development guidelines put out by provincial and federal government departments and by organizations such as the Business Development Bank of Canada when compiling the guide. She also asked small-business owners what information would have been helpful when they started out and found many sites on the Internet that provide information on developing businesses.



Because the guide is targeted to a First Nations audience, Hager, who is an aboriginal entrepreneur herself, used her own experiences and made an effort to include information that is particularly relevant to aboriginal entrepreneurs.

"Even though business is universal, aboriginal business owners have specific needs and interests, so I tried to address those issues," she says. "The guide definitely has a First Nations perspective to it."

Jerry Perry, of the Ma-Mouk Development Corporation in Port Alberni, B.C., says the guide is an excellent resource for aboriginal people interested in creating a forestry-based business.

"The business information is good, the guide is easy to understand for people with a variety of education levels, and it does a good job of covering the steps necessary to go from having an idea to developing a business plan," he says. "The specific information on forestry-based business is excellent as well. The guide connects what one needs to know about forestry and business development in one place, in a way that makes it easy to follow and use."

Ditidaht First Nation invests for the future

The economic future of the Ditidaht First Nation looks very promising, thanks in part to a sawmill located about 10 miles from the Band's village at Nitinat Lake on Vancouver Island. It is the result of the vision of Chief Jack Thompson, Council and band members, who four years ago began to look to the forest industry for economic development. They then took on a well-based plan to ensure that they got it.

The sawmill is an integral part of a wood manufacturing and remanufacturing operation in joint venture with Port Alberni-based Rebco Wood Products Ltd. In the planning for four years, it resulted from the Band's wish to receive a Small Business Forest Enterprise Program Timber Sale License, which was awarded in 1996. Said John Masai, a consultant who has worked closely on the project, "The condition for granting the License was that it had to result in the production of a value-added product. The Band recognized that it had insufficient expertise to undertake this on its own, so selected Rebco as their joint venture partner."

A previous contribution under the FNFP in 1996/97 provided for forestry training and business planning for Band members and the sawmill project is a direct result of the acquisition of these skills. The FNFP contribution last year provided an additional $20,000 toward the purchase of the sawmill, which was located in Oregon, dismantled and shipped to its present location on Band land, and rebuilt. The mill will be used to rough cut the logs which will then be trucked to Rebco in Port Alberni for remanufacture.

"A number of Band members live in Port Alberni," said Masai, "and part of our agreement with Rebco was that they would hire 15 of them to work in their operation. But we also wanted to create employment for members on the Reserve. The sawmill has provided that." Six Band members were employed in the reconstruction of the mill and 12 will be employed when it goes into full operation.

"The construction is about 80% completed now," said Masai, and we hope to get final approval to start it up by the end of June." The sawmill will process about 25,000 board feet in a single shift.

Key to the joint venture was the Band's decision that in addition to providing employment for their members, it wanted to participate in the economic returns of the project. Under the agreement, 60% of the profits from lumber processed under their jointly held License will go to the Band, with Rebco receiving the balance.

The entire project is $3 million, funded to some degree by contributions such as those from FNFP, but in larger part by the Band itself, and by loans from various financial sources. Said Masai, "The Band wanted something that would be of economic benefit not just in the short term, but over at least the next 25 years. So they were willing to make that kind of investment."

For more information: John Masai (250) 652-7081

Osoyoos Band Partnership expands available equipment

Among its numerous economic activities, the Osoyoos Indian Band has had a forestry operation for a number of years. Two years ago, they obtained a 10-year Forest License in a joint venture partnership with Weyerhaeuser Canada Ltd. The first logging contract under this partnership was undertaken in January, 1997.

Band members had to bear the high cost of leasing the equipment they used. This ate up a substantial amount of the potential profit from the job. As Joe McGinnis, the Band's Forestry Manager summed up, "We needed to put more iron in the bush."

Due to the nature of the terrain, an essential piece of heavy equipment - and an expensive one to lease - is a grapple skidder which was needed to move felled logs from the stump to landings. Contracting out for this piece of equipment alone was responsible for 30% of the harvesting expenses. Owning rather than leasing the skidder was shown to potentially increase productivity of the operation by 25%.

"We've seen the economic advantages," said McGinnis. "With ownership, you have some flexibility, whereas when you're leasing equipment, you're locked into a set dollar amount." Last October, the FNFP offered a $25,000 contribution agreement with the Band to assist with the purchase of a skidder, provided the Band contributed the remaining funds to purchase the skidder and to train its operators. This training ranged from actually operating and servicing the equipment to Level 1 First Aid and basic fire suppression as it relates to the use of skidders.

As a result of the joint venture with Weyerhauser Canada, the Band has at least seven of its members working consistently during the logging season which, weather permitting, can be up to eight months or more a year. "We've got two skidder operators, two buckers, two fallers and a loader operator working now," McGinnis said. We had a safety audit recently and scored 100% on it. We're in the 90s on log quality. Our target with two skidders is to get an average of five loads out a day. Right now we're averaging four and five on some days. It's coming along."

With the jointly held Forest License, Band members do much of the actual logging with Weyerhauser acting in a supervisory capacity. It is anticipated that during the course of the 10-year License, Band members will be trained in other forestry operations, such as road building. McGinnis sees the relationship with the company as positive. "We're not that far into it, but it seems to be progressing well," he said.

The Osoyoos Indian Band has a history of successful economic ventures, including the Band-operated Inkameep Vineyard, a popular campground and land leased to Bright's Winery. McGinnis attributes much of these successes to the forward thinking of the Osoyoos Band Chief, Clarence Louie. "Said McGinnis, "He's running a very progressive Band."

In the long term, it is anticipated that the improved financial returns from the logging operation will enable the Band to buy more equipment, train more Band members in various aspects of forestry practice, and enable them to bid on more projects, thereby increasing the size and importance of forestry-related projects to the overall economic prosperity of the band.

For more information: Joe McGinnis (250) 498-3444

Sliammon Band brings forestry opportunities closer to home

Members of the Sliammon First Nation are no strangers to the forest industry, with a number of their members working as local loggers or as silviculture contractors. Now, however, they are undertaking several projects which will bring forestry employment opportunities closer to home.

With the help of a $30,000 contribution from the FNFP for project development, the Band-owned Sliammon Development Corporation has four projects underway, all of them in joint venture with non-aboriginal companies. Said Chris Roddan, Forestry Co-ordinator for the Corporation, "For projects like logging and tree planting, we have to do it as a joint venture. The equipment cost alone could be prohibitive on our own, but we also benefit from their [our partners'] management and logistical expertise. Without it, we wouldn't be able to bid on contracts."

The first of these projects, which involved a joint venture logging operation with Granet Lake Logging Ltd. and MacMillan Bloedel Ltd., almost fell through when market conditions severely curtailed the operations of both these partners, said Roddan, "Fortunately, we were able to contract with Coast Mountain Hardwoods instead and now have four Band members working with them logging 10,000 metres of timber. It was important for us to pick up a contract at this time, as we can use it as a test for the eventual joint venture with Granet Lake."

The second, a joint venture with MacMillan Bloedel Ltd., involves a poplar farming operation - with a supply contract with MacMillan Bloedel Ltd. in the final stages of consideration. To date 40 hectares of Band land has been cleared, and site preparation will begin this summer. Roddan said another 40 hectares will probably be added next year, with the entire operation over time growing to as much as 100 hectares. "It will provide employment for a few people for the next two years," he said, "and with the anticipated 10 year rotation cycle, it will be a source of economic development and employment."

The third project involved implementation of the existing management plan for the IR#1 land. To date, five Band members have cleared 120 hectares for conifer management, and ten members have replanted the area. "It was a poorly producing forest and now it will become a well managed and productive one, "said Roddan.

As well, a silviculture operation has been established in joint venture with Evergreen Forest Services Ltd., which will provide services on a contract by contract basis. Already they have a contract in place with MacMillan Bloedel Ltd. for planting for them next spring and are currently bidding on work with Coast Mountain Hardwoods.

"It's the same situation with tree planting as it is for logging," said Roddan. "The Sliammon Development Corporation has an opportunity to enter into contracts with licensees. Evergreen will ensure we complete these contracts successfully."

For more information: Chris Roddan (604) 483-7777

FNFP projects progressing to next level

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Many of the First Nations groups that received funding from the First Nations Forestry Program (FNFP) over the last two years have completed the initial phases of their projects and are re-applying for further funding, says program manager Nello Cataldo.

"These second-time applicants are now progressing to the next phase or level of their project," Cataldo says.

Some of the groups received funding for feasibility studies or market analyses in the first or second year of the program and now want assistance developing business plans and strategies. Others used their funding to develop business plans and now want assistance implementing them.

"Follow-up on previously funded projects shows good results," says Cataldo. "The assistance from the First Nations Forestry Program has moved recipients further ahead in forestry development, business enhancement and joint ventures."

Ninety-six proposals have been submitted to the FNFP for funding in the 1998/99 fiscal year. The total value of the proposals is $11.4 million, of which $3.5 million is requested from the FNFP.

Cataldo notes that while the types of proposals are similar to those received in previous years, this year's submissions seem to be of higher quality.

"This is probably because the program is better-known and the bands are more familiar with the guidelines and objectives now that we are entering the third year of the program."

The FNFP Management Board met on March 24, 1998 to review proposals, approve projects, and allocate the 1998/99 funding.

In other FNFP news, the B.C. FNFP Management Board hosted a national meeting of the program February 8-10, 1998 in Vancouver. The meeting was attended by representatives of the national management committee and representatives of the provincial-territorial management committees from across Canada. On the first day, the group toured the Seymour Mountain Demonstration Forest and visited Grouse Mountain where Richard Krentz, who participated in the FNFP in 1996/97, gave a presentation. The business meeting was held over the next two days at the University of British Columbia First Nations House of Learning.

The FNFP is also currently undergoing an Interim Review. An aboriginal consulting company from New Brunswick is conducting the national review, which will determine if the program is going in the right direction and meeting its purposes and objectives. A final report with recommendations to improve the program is expected in July.

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